

EXECUTIVE SUMMARY OF AMENDMENTS TO ASHRAE'S SAVINGS & INVESTMENT PLAN.

Prepared November 30, 2001

A three person Committee has oversight responsibility for ASHRAE's 401(K) Plan for employees. The Plan Document states:

The Committee may amend or modify the Plan in order to bring the Plan into compliance with applicable law or regulations, provided said amendment or modification does not have a material effect on the estimated cost of maintaining the Plan and does not create a new class of benefits or entitlements. Copies of any such amendment or modification shall be sent to the Board of Directors.

The Committee has approved two amendments and they are submitted to the BOD as required by the Plan document. No action is required by the BOD since these amendments do not have a material effect on the estimated cost of maintaining the Plan and does not create a new class of benefits or entitlements.

Amendment 2 (Approved September 6, 2001) Background: This cryptic language is the IRS model amendment language.

If a participant's compensation is reduced for qualified transportation fringe benefit deferrals, those deferrals will be added back in (along with other deferrals such as 401(k) or 125 deferrals) compensation for purposes of determining benefits under the plan.

This amendment has no meaning in our plan since ASHRAE does not offer qualified transportation fringe benefits. However, the language is required in the plan.

Amendment 3 (Approved November 27, 2001) Background: This lengthy amendment, also written by the IRS, is required for ASHRAE's 401(K) plan due to recent law changes. The amendment includes a minor change to the vesting schedule for the employer match, rules on rollovers from other plans, and other changes.

Summary: Neither amendment has a material effect on the estimated cost of maintaining the Plan nor creates a new class of benefits or entitlements.